

**ASOTIN COUNTY, WASHINGTON**  
**Fifth Class County**  
**January 1, 1990 Through December 31, 1991**

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**Schedule Of Findings**

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1. Annual Financial Reports Should Be Submitted Within The Required Time Period

The county auditor did not submit the annual financial reports, including the Schedules of Federal Financial Assistance, for fiscal years 1990 and 1991 within the specified time frame. This condition was also reported in prior audits.

RCW 43.09.230 states in part:

The state auditor shall require from every taxing district and other political subdivisions financial reports covering the full period of each fiscal year, in accordance with the forms and methods prescribed by the State Auditor, which shall be uniform for all accounts of the same class.

Such reports shall be prepared, certified, and filed with the division within one hundred fifty days after the close of each fiscal year . . .

In addition, the federal government's Office of Management and Budget (OMB) Circular A-102, Attachment G, requires the grantee's financial system provide for accurate, current and complete disclosure of financial results of each grant program.

The county auditor indicated that the failure to prepare timely annual reports was caused by staffing problems and an accounting system which requires additional time and effort to obtain accurate financial information from outside the accounting system. Untimely and late preparation of financial reports results in inadequate disclosure of the county's financial activities and jeopardizes future federal funding.

We recommend the county auditor prepare and submit the annual financial reports in a timely manner.

2. Foreclosure Proceedings Should Be Initiated Against Parcels With Delinquent Property Taxes

There are \$43,118 in delinquent property taxes within Asotin County for time periods in excess of three years. As discussed in our prior audit report, the county treasurer has not issued certificates of delinquency on the land parcels involved. Without the issuance and filing of these certificates, foreclosure procedures cannot be completed against the property.

RCW 84.64.050 states in part:

After the expiration of three years from the date of delinquency, when any property remains on the tax rolls for which no certificate of delinquency has been issued, the county treasurer shall proceed to issue certificates of delinquency on the property to the county for all years' taxes, interest, and costs.

The treasurer shall file the certificates when completed with the clerk of the court at no cost to the treasurer, and the treasurer shall thereupon, with legal assistance from the county prosecuting attorney, proceed to foreclose in the name of the county, the tax liens embraced in such certificates . . . .

The treasurer's office stated the reluctance to certify the delinquent property taxes was due in part to the lack of assistance from the prosecuting attorney's office. The prosecuting attorney's office did not feel it had the staff necessary to pursue delinquent accounts when considering the increased workload for criminal cases in the county.

Failure to make tax collection efforts through foreclosure measures results in a reduction of potential revenue for the county. It also results in a general feeling of apathy by the public which may, in turn, result in increased delinquent accounts and more costly collection efforts in the future.

We recommend all county officials take the appropriate steps necessary to comply with the statutes requiring certification and foreclosure procedures for delinquent property taxes.

3. Internal Control Over The Electronic Data Processing System For Financial Data Should Be Improved

As discussed in the prior audit report, our review of the internal control structure over the electronic data processing (EDP) system for financial data revealed the following weaknesses:

- a. All employees in the county auditor's office and the public works accountant have access to the EDP masterfiles and data files for expenditures. Also, there is no evidence of supervisory review of changes made to the masterfiles.
- b. There is no segregation of duties in the performance of EDP input/output reconciliations, and no evidence of subsequent supervisory review of EDP input/output reconciliations that may have been prepared.
- c. There is no documentation of EDP programming modifications, and no evidence of supervisory review of programming modifications.

The internal control weaknesses listed above increase the county's exposure to the risk that errors and irregularities may occur and not be detected in a timely manner.

All of these conditions occurred because the county failed to institute an adequate internal control structure governing access, segregation of duties, reconciliation of input/output, modification of programs, and supervision responsibilities for the EDP system.

We consider the conditions cited above to be a material weakness in the EDP internal control structure.

We recommend the county establish an adequate, functional internal control structure over the electronic data processing system for financial data.